



Securityplus
FEDERAL CREDIT UNION

A positive difference!

**Inspiring the Vision.
Empowering the Future.
2021 Annual Report**

Federally
Insured by
NCUA



CHAIRPERSON'S REPORT

First, thank you for being a member of Securityplus FCU. Throughout 2021, the Credit Union faced several challenges including the ongoing pandemic, the absence of a CEO, and changing economic conditions. I am pleased to report that Securityplus FCU was still able to provide excellent financial services to our members as we remained open to serve our members and communities. With 2021 behind us, your Credit Union stands stronger and remains focused on our vision to be our members' first choice for financial services.

Reflecting on 2021, a few words come to mind; tenacity, strength and determination. The second year of the pandemic brought continued monitoring of all pandemic-related regulations and industry guidance, and our staff continually adapting to ensure the safety of our members and employees. Our Contact Center and public branches remained open, and our online services provided 24/7 access to online banking to ensure no interruption to service. The Credit Union helped members by waiving fees and offering Skip-A-Pay to ease pandemic-related financial hardship. Securityplus FCU continues to be committed to our members through both good and challenging times. While the pandemic posed challenges for most organizations, our employees worked hard to make sure there was no interruption to service or a direct impact to our members.

In 2021, the Credit Union established a Diversity, Equity and Inclusion (DEI) program. This program was executed as a "Pledge" by our Board of Directors. We will continue to enhance our Diversity, Equity and Inclusion initiatives and organizational learning on this important topic. I am proud to say that the University of Georgetown successfully used our program as a case study.

To further expand our programs, the Credit Union successfully sought both grant and financial opportunities. We were awarded grants to help us serve underserved communities by providing financial education. We are proud to support financial literacy

programs and it is our mission to make each member a "success" story. In order to support and educate our youth, we continue to collaborate with the Mayor's Office of Employment and Development Program, YouthWorks.

For the first time in our Credit Union history, the Credit Union reached assets over \$500 million in assets in 2021. While this is a milestone achievement, we will not relax our standards and commitment in providing exceptional member experiences.

The Board of Directors is excited to welcome Tricia C. Szurgot as our new Chief Executive Officer - the first female CEO in Securityplus FCU history. Tricia is a Certified Futurist and brings 30+ years of executive leadership to the Credit Union. We look forward to her dynamic vision for leading our Credit Union into the future. The Board also thanks Mike Keener Jr., serving as interim CEO over the last eight months of 2021. We appreciate his outstanding leadership, the many hats he wore during this interim period to set the Credit Union up for success, and his continued contribution to Securityplus FCU as Chief Information Officer.

Finally, we are grateful to you, our loyal member-owners. In 2022, our goal is to continue to serve you well. On behalf of the Board of Directors and the staff of Securityplus FCU, we want to thank you for your membership, for being part of our family, and for sharing the gift of membership with your friends and family.



Sincerely,

Carolyn A. Brooks,
Chairperson

BOARD OF DIRECTORS

Carolyn A. Brooks, Chairperson
Barbara G. Cuffie, Vice Chairperson
Robert L. Berzanski, Treasurer
Crystal M. Lamb, Secretary
Andre F. Brown
Keith B. Cobb
Erica Mejias
Jerilyn D. Pope
Kelly Tribble Spencer
Tobechi Mlemchukwu, Associate Director
Richard Ramson, Associate Director
Ronald Thompson, Associate Director
Charlotte Alston Rogers, Executive Officer to the Board

EXECUTIVE TEAM

Tricia C. Szurgot, MBA, CCE, FLTA,
Chief Executive Officer
Mike Keener, Chief Information Officer, and 2021
Interim Chief Executive Officer
William Kennedy, Chief Financial Officer
Toby Green, Vice President of Residential and
Commercial Lending
Ulrica Rawlings, Vice President of Human
Resources and Facilities
Laura Hunter, Executive Assistant to the CEO



INTERIM CEO'S REPORT

With the development and wide availability of the COVID-19 vaccine, many of us began to return to what was referred to as the “new normal” as we continued making many adjustments during the second year of the pandemic. Ongoing adaptation to technologies, telemedicine, and self-checkouts, as well as experiencing rising prices and disruptions due to supply chain and staffing shortages became part of our lives.

Securityplus Federal Credit Union also faced its own set of challenges and adjustments. However, I am proud to say that throughout 2021, we kept our focus on “members first” as our staff worked purposely toward providing the products, services, and technologies that our members deserve and expect. As many credit unions locked and closed their doors across the country, the Credit Union continued to diligently serve our membership. Although the Credit Union had a few short-term disruptions in branch services due to COVID-19, our advanced technologies provided members with 24/7 access to their accounts and services.

Throughout the ever-changing environment due to the pandemic, forward progress was made during 2021. The Credit Union launched the VISA Signature Credit Card and Cash Back Checking, offering cash rewards for charged spending categories and cashback for debit purchases. Members were encouraged to tell others about Securityplus, as the new Refer a Friend program provided an incentive for both members and their qualified referral to receive a \$50 gift card. In addition, Interactive Teller Machines (ITMs) were installed at branch locations, replacing the more antiquated ATMs. This technology allows our members to perform many more transactions without going into a branch and provides 24/7 access.

In November, Securityplus merged with and acquired the Friendship International Airport Federal Employees Federal Credit Union (FIAFE) with assets of \$5.92 million. We were excited to welcome the 380+ members and offer them an enhanced range of products and services plus new technologies.

In addition, a \$50,000 grant was awarded to the Credit Union, giving us more resources to provide financial literacy programs for those residing in underserved communities within Baltimore City.

Our financial performance ended the year on a positive note. For the first time in our history, Securityplus exceeded more than half a billion in assets, reaching \$519 million.

The Credit Union approved over \$68 million in loans in 2021. Part of this increase included approval of more loans for our membership with challenged credit histories or low income, and provided those with modest means access to better interest rates and cost savings. With the many challenges the Credit Union faced, staff continued to work hard as we closed out 2021 with an estimated increase in net income of \$1,615,769 compared to 2020.

As we know, it was a challenging year for everyone. Our Credit Union has and will continue to keep its course in our commitment to serve our membership, provide financial solutions, and be technologically advanced. We will also remain “community proud,” and it is our mission is to build long-lasting relationships with our Securityplus family, “our Members.”

I want to thank our staff and volunteers for their focus, perseverance, and hard work during these challenging times.

Thank you for being a member of Securityplus Federal Credit Union.



Sincerely,

Michael R. Keener Jr.
Interim Chief Executive
Officer & Chief Information
Officer

MANAGEMENT TEAM

Tymeshia Alleyne, Security West & Woodlawn Branch Manager

Denise Aviles, Internal Audit Manager

Patricia Banks, Collections Manager

Ella Bartels, Contoller

Corjuan Cooper, Operations Manager

Delphine Garner, Main Office Branch Manager

Charissa Martin, Director of Compliance

Yolanda Purnell-Parker, Contact Center Manager

Atia Ross, Owings Mills Branch Manager

Deborah Rutter, Loan Operations Manager

Cheryl Warfield, Transaction Services Manager

Cheryl Wizzard, CMS Branch &

Northwest Plaza Branch Manager

NEW CEO'S MESSAGE

I'm thrilled to be writing to you as your new CEO and humbled and honored to be chosen by the Board of Directors to lead such an outstanding, well-respected, and strong organization into the future.

Together, we will inspire the vision and empower the future for Securityplus FCU and our employees, members, and communities. YOUR credit union is strong, committed to YOU, and continuously adapting, innovating, and growing to meet your needs today and into the future.

I've spent my 30+ year career, including 15+ years leading credit unions, re-imagining business potential to help organizations optimize, transform, grow and thrive – and do more good for more people. The credit union philosophy of “people helping people” is something I take very seriously. As a futurist, credit union advocate, and Corporate Social Responsibility, Diversity, Equity and Inclusion, and Financial Empowerment champion, we will work tirelessly to make a positive difference for the many individuals, families, businesses, and communities we serve.

With our passionate, talented, and committed volunteers, employees, and community leaders, we will empower and enable a higher level of financial inclusivity, access, empowerment, and equity. We will work to bring you the most valuable, affordable, accessible, and easy-to-use banking, borrowing, investing, learning, and insurance products and services possible. We will work to create personalized experiences and meaningful connections to continuously listen, learn and act in ways that benefit YOU and the “greater good.”

The future is bright for Securityplus FCU! While the last few years have brought unprecedented challenge and opportunity, the strength, resilience, commitment, passion, and perseverance of the Securityplus FCU community are astounding. And 2022 is shaping up to be a year of unprecedented opportunity, innovation, growth, and value. We will focus on optimization, efficiency, and innovation throughout our business and operations. We will continue to enhance the experiences we deliver to you at every touchpoint – when, where, and how you need us 24/7. We will continue to differentiate our products and services, enhance our industry-leading technology and digital banking capabilities and accelerate growth and value while ensuring financial safety and soundness.

Thank you for the warm welcome to the Securityplus FCU family! Together, we will grow stronger, giving back more and making a positive difference for more people. I welcome your feedback on ways we can continue to make a positive difference, and I thank you for your membership, your loyalty, and for choosing Securityplus FCU.



With gratitude,

Tricia C. Szurgot,
MBA, CCE, FLTA

Chief Executive Officer

2022 STRATEGIC INITIATIVES

- + New Artificial Intelligence Voice-Response System
- + New ITMs (Six New Interactive Teller Machines)
- + New Corporate Social Responsibility Initiative
 - Financial Wellness & Empowerment
 - Diversity, Equity & Inclusion
 - Community Partnerships
 - Sustainability
- + New First-time Homebuyers & Community Partner Grant Programs
 - First-time Homebuyer Grants up to \$7,500
 - Community Partner Homebuyer Grants up to \$10,000 (for eligible police officers, fire fighters, teachers, health care workers, veterans or active-duty members of the military, and COVID-related essential workers)
 - Offered in Partnership with FHLB (Federal Home Loan Bank)
- + New Small Business Lending Programs
 - Loans for Existing Small Businesses and Start-ups
 - Offered in Partnership with SBA (Small Business Administration)
- + Enhanced Digital/Mobile App for Debit Card Management
 - Block and Unblock Cards
 - Travel Authorizations
 - Report Lost or Stolen Cards
 - Set Up Spend Limits
 - Set Up Custom Alerts
- + Enhanced Branch and Contact Center Debit Card Service Capabilities

TREASURER'S REPORT

Securityplus Federal Credit Union continued to operate and serve our members in all public offices resulting in another exceptional year despite the Omicron variant causing another year of masking and limited interactions.

Securityplus ended 2021 with a net income of \$3,276,208 and increased its assets to almost \$520 million (M), representing a 13% increase from 2020. In addition, Securityplus ended the year with loan balances of nearly \$357M, representing almost an 18% increase from 2020. This positive growth helped us to remain fiscally strong and enabled us to continue our service improvement initiatives. Investment balances increased to almost \$91M. We ended 2021 with total equity of \$45M, an increase of nearly 16% from 2020.

In 2022, we will continue to be your safe, sound, and trusted financial partner. We want to simplify your experiences with Securityplus and enhance our Credit Union with more efficiencies.

As Treasurer, I am proud of the progress we made in a less-than-normal year. We are very pleased to have achieved our strategic goals while staying true to our core values, continuing to build lasting relationships with our members, and creating a positive financial difference for you.

I thank all the staff and volunteers who worked towards accomplishing our goals. I especially want to thank you, the members of Securityplus, for making 2021 another successful year.



Robert L. Berzanski
Treasurer

LOAN REVIEW COMMITTEE'S REPORT

The Loan Review Committee is composed of volunteers appointed by the Securityplus Federal Credit Union Board of Directors and the Chief Operating Officer. The committee's purpose is to review any loan appeal requests submitted by members of the Credit Union.

Members generally submit appeals when their loan requests have been denied due to financial information being omitted from their initial loan application or their financial situation has changed since the initial application. The Loan Review Committee reviews the information, and a decision is made to approve or deny the member's request. The committee seeks to find common ground where the member's need is met and the risk to the Credit Union is mitigated.

The Loan Review Committee's efforts resulted in \$26,500 in loan approvals in 2021. We look forward to continuing to make a positive difference in our members' lives.

LOAN REVIEW COMMITTEE:

Sheryl Morsell, Chairperson
Tobechi Mlemchukwu
Vashti Pullum



FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL CONDITION

December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and Cash Equivalents		
Securities:	\$ 42,841,044	\$ 59,314,121
Available-for-Sale	80,695,472	66,648,919
Equity Securities	5,252,259	4,061,341
Held-to-Maturity	299,000	---
Other	1,592,607	1,152,172
Loans, Net	353,882,469	298,309,387
Loans Held-for-Sale	---	552,996
Accrued Interest Receivable	1,813,285	1,164,673
Premises and Equipment, Net	5,475,421	5,767,249
NCUSIF (National Credit Union Share Insurance Fund) Deposit	4,243,914	3,725,213
Other Assets	19,883,583	18,996,263
Total Assets	<u>\$ 519,750,054</u>	<u>\$ 459,692,334</u>
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Members' Share and Savings Accounts	\$ 455,567,471	\$ 415,728,886
Borrowed Funds	15,000,000	---
Accrued Expenses and Other Liabilities	4,018,601	4,968,155
Total Liabilities	<u>474,586,072</u>	<u>420,697,041</u>
MEMBERS' EQUITY		
Regular Reserves	19,062,268	19,062,268
Undivided Earnings	27,395,572	22,355,778
Accumulated Other Comprehensive Loss	(1,293,858)	(2,422,753)
Total Members' Equity	<u>45,163,982</u>	<u>38,995,293</u>
Total Liabilities and Members' Equity	<u>\$ 519,750,054</u>	<u>\$ 459,692,334</u>

STATEMENTS OF INCOME

Years Ended December 31, 2021 and 2020

	2021	2020
INTEREST INCOME		
Loans	\$ 11,811,661	\$ 11,057,013
Securities, Interest-Bearing Deposits, and Cash Equivalents	1,118,049	2,057,951
Total Interest Income	<u>12,929,710</u>	<u>13,114,964</u>
INTEREST EXPENSE		
Members' Share and Savings Accounts	1,326,376	1,639,723
Borrowed Funds	24,612	---
Total Interest Expense	<u>1,350,988</u>	<u>1,639,723</u>
NET INTEREST INCOME	11,578,722	11,475,241
PROVISION FOR LOAN LOSSES	<u>124,951</u>	<u>1,244,000</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	11,453,771	10,231,241
NONINTEREST INCOME		
Service Charges and Fees	3,967,053	3,724,443
Other Noninterest Income	1,991,533	1,625,307
Net Gain on Equity Securities	679,437	554,465
Net Gain on Sale of Available for-Sale Securities	285,700	---
Total Noninterest Income	<u>6,923,723</u>	<u>5,904,215</u>
NONINTEREST EXPENSE		
General and Administrative:		
Employee Compensation and Benefits	7,654,867	7,768,048
Occupancy	1,041,163	945,422
Operations	2,501,272	2,375,773
Professional and Outside Services	1,955,454	1,689,076
Loan Servicing	863,860	780,980
Other Operating Expenses	1,084,670	915,728
Total Noninterest Expense	<u>15,101,286</u>	<u>14,475,027</u>
NET INCOME	<u>\$ 3,276,208</u>	<u>\$ 1,660,429</u>

These condensed financial statements do not constitute a complete presentation. The complete set of audited financial statements, including the statements of comprehensive income (loss), changes in members' equity and cash flows, and notes to the financial statements are available at the Credit Union office during normal hours of operation.

Federally Insured by NCUA



OUR PROMISE

to create a positive difference for our members, our communities, and our employees.



SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee (SC) of Securityplus Federal Credit Union is appointed by the Board of Directors in accordance with the Federal Credit Union Act. It is responsible for ensuring that the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements. Also, the Supervisory Committee assists the Board of Directors in fulfilling its oversight responsibilities over the following areas:

- + The system of internal control,
- + The financial statement audit process,
- + The Credit Union's process for monitoring compliance with laws and regulations.

The SC directs the Internal Audit Department to conduct audits to determine if management's practices and procedures are sufficient to safeguard members' assets. The SC retained an independent certified public accounting and consulting firm to conduct the annual 2021 financial statement audit and comment on the accuracy and fairness of management's and the Board's presentation of the Credit Union's financial statements.

Also, in 2021, an audit of the Credit Union's information technology general controls was performed by an independent firm specializing in evaluating technology controls for financial institutions. The Credit Union achieved an overall Satisfactory rating for its information technology control environment, which indicates that existing controls are adequate to protect the confidentiality, integrity, and availability of its information assets and systems. Additionally, throughout 2021, the SC managed the following internal audits:

- + Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E Act) Compliance, Automatic Clearing House (ACH) Compliance, Identity Theft Red Flag Compliance, Website Regulatory Compliance, Social Media Monitoring, Bank Secrecy Act (BSA) Compliance, Ethics Compliance
- + Controls over Wire Transfers, Non-Financial Account Maintenance, Dormant Accounts, Branch Operations, New Account Openings, Manual Journal Entries, NCUA Call Report Preparation, Monthly Dividend & Interest Rate Maintenance, Accounts Payable, Overdraft Protection, User Access
- + Quality Control over Mortgage Lending, Consumer Lending, Indirect Lending, Home Equity Lines of Credit

The SC reported any exceptions to management and the Board of Directors. We recommended corrective actions and continue to follow up on areas of operations to see whether changes have been implemented to address audit findings and recommendations.

Lastly, as part of the merger with Friendship International Airport Federal Employees (FIAFE) FCU, the SC managed the overall review of the merger process, including the accurate conversion of accounts into the Securityplus system.

The Supervisory Committee is pleased to report that Securityplus Federal Credit Union is operating in a safe and sound manner.

If you wish to contact the Supervisory Committee, please address your letter to:

Securityplus Federal Credit Union
Supervisory Committee
P.O. Box 47524
Windsor Mill, MD 21244

Alternately, you may e-mail the Supervisory Committee at:
scchair@securityplusfcu.org

SUPERVISORY COMMITTEE:

Bernice J. Chase, Chairperson
Mitchell J. Edelman, Secretary
C. NaTasha Richburg, Member
Judah Buchwalter, Member
Solita J. Cuthrell, Member
Denise M. Aviles, Internal Audit Manager



SERVING OUR MEMBERS THE SECURITYPLUS WAY!

Securityplus
Branches



Interactive Teller
Machines (ITMs)



Online Banking



Mobile Banking App



Contact Center



MXXAR – 24 Hour
Response Line



Surcharge-free access
to 55,000+ ATM'S



Shared Branching
Partners



Serving Our Members in
2021

**TOTAL
MEMBERS
33,785**

1,642 NEW MEMBERS IN 2021

LOANS

Vehicle Loans
\$19,524,296

Personal Loans
\$8,008,801

Mortgage Loans
\$24,757,582

Home Equity Loans
\$13,694,669

Credit Card Loans
\$2,873,350

